

Senate File 2233 - Introduced

SENATE FILE 2233

BY HOUSER

A BILL FOR

1 An Act providing a property tax exemption for land designated
2 as a preserved wetland.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, subsection 23, Code Supplement
2 2011, is amended to read as follows:

3 23. *Native prairie and wetland.* Land designated as native
4 prairie or land designated as a ~~protected~~ preserved wetland
5 by the department of natural resources ~~pursuant to section~~
6 ~~456B.12.~~

7 a. Application for the exemption shall be made on forms
8 provided by the department of revenue. Land designated as a
9 ~~protected~~ preserved wetland shall be assessed at a value equal
10 to the average value of the land where the wetland is located
11 and which is owned by the person granted the exemption.

12 (1) The application forms shall be filed with the assessing
13 authority not later than the first of February of the year for
14 which the exemption is requested. The application must be
15 accompanied by an affidavit signed by the applicant that if
16 the exemption is granted, the ~~property~~ land will be used in
17 compliance with this subparagraph.

18 (a) The land shall not be used for economic gain during
19 the assessment year in which the exemption is granted. If the
20 ~~property~~ land is used for economic gain during the assessment
21 year in which the exemption is granted, the ~~property~~ land shall
22 lose its tax exemption and shall be taxed at the rate levied
23 by the county for the fiscal year beginning in that assessment
24 year.

25 (b) Notwithstanding subparagraph division (a), a preserved
26 wetland may be used for economic gain that is directly related
27 to its use as habitat or is from payments made by the federal or
28 state government related to acquiring, conserving, restoring,
29 or using wetlands.

30 (2) The first annual application shall be accompanied by a
31 certificate from the department of natural resources stating
32 that the land is native prairie or ~~protected~~ preserved wetland.

33 b. The department of natural resources shall issue a
34 certificate for the native prairie exemption if the department
35 finds that the land has never been cultivated, is unimproved,

1 is primarily a mixture of warm season grasses interspersed with
2 flowering plants, and meets the other criteria established by
3 the natural resource commission for native prairie.

4 c. The department of natural resources shall issue a
5 certificate for the wetland exemption if the department finds
6 the land is a ~~protected~~ preserved wetland, ~~as defined under~~
7 ~~section 456B.1, or if the.~~

8 (1) Land qualifies as a preserved wetland if it includes
9 more than two acres and it is any of the following:

10 (a) A protected wetland as defined in section 456B.1,
11 regardless of whether it is inventoried pursuant to section
12 456B.12.

13 (b) Classified as a wetland by the natural resource
14 conservation service of the United States department of
15 agriculture pursuant to section 7 C.F.R. pt. 12.

16 (c) Inundated or saturated by surface water or subsurface
17 water at a frequency or duration sufficient to support a
18 prevalence of hydrophytic vegetation typically adapted for life
19 in saturated soil conditions.

20 (2) Land qualifies as a preserved wetland even if the land
21 was previously drained and cropped but has been restored under
22 a nonpermanent restoration agreement with the department or
23 other county, state, or federal agency or private conservation
24 group.

25 d. A taxpayer may seek judicial review of a decision of
26 the department according to chapter 17A. The natural resource
27 commission shall adopt rules to implement this subsection.

28 ~~b.~~ e. The assessing authority each year may submit to the
29 department a claim for reimbursement of tax revenue lost from
30 the exemption. Upon receipt of the claim, the department shall
31 reimburse the assessing authority an amount equal to the lost
32 tax revenue based on the value of ~~the protected~~ a preserved
33 wetland as assessed by the authority, unless the department
34 reimburses the authority based upon a departmental assessment
35 of the ~~protected~~ preserved wetland. The authority may contest

1 the department's assessment as provided in chapter 17A. The
2 department is not required to honor a claim submitted more than
3 sixty days after the authority has assessed land where the
4 ~~protected~~ preserved wetland is located and which is owned by
5 the person granted the exemption.

6 EXPLANATION

7 BACKGROUND. There are a number of different types of
8 property that are not subject to property tax, including land
9 designated as native prairie or wetland as designated by the
10 department of natural resources (Code section 427.1(23)(a)).
11 In order for a wetland to qualify for the tax exemption,
12 it must be designated as "protected", meaning that it is a
13 type of wetland described by the United States department of
14 interior (Code section 456B.1). Such land is inventoried by
15 the department (Code section 456B.12). The wetland may be
16 restored. However, it cannot be used for economic gain. The
17 assessing authority (county) is entitled to be reimbursed
18 for lost tax revenue due to the exemption (Code section
19 427.1(23)(b)).

20 BILL'S PROVISIONS. This bill changes the name of qualifying
21 wetlands to "preserved wetlands" and provides that land
22 qualifies as a preserved wetland if it includes more than two
23 acres and is: (1) classified as a protected wetland, (2)
24 classified as a wetland by the United States natural resource
25 conservation service, or (3) is inundated or saturated by water
26 sufficient to support life adapted to wetland conditions. The
27 bill also provides that the tax exemption applies if the land
28 is used for economic gain if it is directly related to its use
29 as a habitat or if it is farm payments.